

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1824 – HB 1927

February 26, 2018

SUMMARY OF ORIGINAL BILL: Prohibits a mental healthcare facility, health insurance entity, or healthcare facility from discriminating against a physician on the basis of the physician's decision not to participate in any form of maintenance of licensure or maintenance of certification. Declares that it does not prohibit a facility from requiring a physician to undergo remedial or corrective courses or training as may be required by a quality improvement committee.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013244): Deletes all language after the enacting clause. Authorizes a mental healthcare facility, health insurance entity, or healthcare facility to differentiate between licensed physicians based on a physician's maintenance of certification in medical staff privileging and credentialing when the voting members of the facility's organized medical staff vote to adopt the differentiation and the facility's governing body reviews and approves the action of the medical staff. Creates certain exceptions.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on information provided by the Department of Health (DOH), the proposed legislation will not have an impact on the DOH, the Office of Health Care Facilities (HCF), or the providers' HCF licenses because it allows the voting members of the facility's organized medical staff to vote to adopt the differentiation and allows the

SB 1824 – HB 1927

facility's governing body to review and approve the action of the medical staff; therefore, any fiscal impact is estimated to be not significant.

- Based on information provided by the Division of TennCare (Division), none of the Division's managed care organizations (MCOs) currently use maintenance of board certification as a requirement for contracting, nor do they discriminate on reimbursement based on board certification; therefore, any fiscal impact to the Division is estimated to be not significant.
- Based on information provided by the Department of Intellectual and Developmental Disabilities (DIDD), the proposed legislation will not impact DIDD's ability to collect intermediate care facility revenue from the Division; therefore, any fiscal impact is estimated to be not significant.
- Based on information provided by the Department of Mental Health and Substance Abuse Services, the proposed legislation would not affect the DMHSAS's ability to require a physician at a regional mental health institute to have completed a residency in psychiatry.
- Based on information provided by the Department of Commerce and Insurance (DCI), the proposed legislation will not have an impact on the programs or policies of the DCI; therefore, any fiscal impact is estimated to be not significant.
- The Board of HCF is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the DOH with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the *General Appropriations Act*.
- Any change in expenditures for the Board of HCF is estimated to be not significant.
- The Board of HCF had a deficit of \$388,117 in FY15-16 and a deficit of \$161,129 in FY16-17.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Medical Examiners had an annual surplus of \$382,952 in FY15-16, an annual deficit of \$4,714 in FY16-17, and a cumulative reserve balance of \$2,855,288 on June 30, 2017.
- The Board of Osteopathic Physicians had an annual surplus of \$102,565 in FY15-16, an annual surplus of \$91,307 in FY16-17, and a cumulative reserve balance of \$794,231 on June 30, 2017.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- Authorizing a mental healthcare facility, health insurance entity, or healthcare facility to differentiate between physicians based on a physician's maintenance of certification, when the voting members of the facility's organized medical staff vote to adopt the

differentiation and the facility's governing body reviews and approves the action of the medical staff, will not have a significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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